MÉMORANDUM

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

PARTICIPANTS:

President Gerald R. Ford

Edward Gierek, First Secretary of the Central Committee of the Polish United Workers' Party Stefan Olszowski, Minister of Foreign Affairs Dr. Henry A. Kissinger, Secretary of State and

Assistant to the President

Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

Ambassador Richard T. Davies. US Amb. to Poland

Polish Interpreter

DATE AND TIME:

Tuesday, October 8, 1974 11:00 a.m. - 12:40 p.m.

PLACE:

The Oval Office The White House

[General Scowcroft missed part of the opening conversation.]

Gierek: In France, the ethnic group of Poles came during the French Revolution. People of Polish extraction have been introduced into many countries.

Kissinger: Then in the 19th Century, the Polish nationalists concluded that the only way they could get independence was to join every war -- individually.

Gierek: Secretary Kissinger knows our history very well. In our anthem, it says we have been guided by Bonapartist methods of how to win. We Socialists left it in.

Kissinger: I have always been impressed by Warsaw's Old City. It took much pride to restore it that way.

Gierek: That is true.

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President: Let me at the outset welcome you in a personal way. I really look forward to your mission and what has been done to bring us together as peoples and what we can do in the future to expand our contacts.

Gierek: Thank you again for the invitation to visit the United States. I appreciate the transmission of the invitation by you. I welcome the evidence of your will to expand Polish-US relations and detente. I attach importance to our forthcoming talks and I am confident that the meeting will contribute to Polish-American relations. I am confident the meeting will not only strengthen old ties but will build new measures of contacts between us. They will also contribute to the political prestige of our peoples. The great American people have achieved much, and we will be receptive to anything you do which will promote peace.

In bilateral matters, I think we are doing very well, and I express my satisfaction with the policy of detente. I am very pleased with the preparations for the visit and the statements to be signed. The contribution of Secretary Kissinger and the Department of State are very much appreciated. It has been done in a constructive and favorable atmosphere and will help insure that our talks will be fruitful.

My visit is the result of detente. We attach great significance to that process Poland pursues that policy in the world, and its national interest is to live in security and cooperation in the international world. We are cooperating with the Soviet Union and the Eastern European nations on the principles of mutual decooperation and partnerships. At the moment this socialist cooperation is active in making detente a new profound, peaceful coexistence and deepening international cooperation. The meeting of the CEMA in Poland this year worked to make detente irreversible.

Likewise with great satisfaction we welcome improved relations between the United States and the Soviet Union. These agreements on substance are of great importance. They are of substantial significance to prevent a new world war. They help extinguish the Cold War and encourage bilateral cooperation between East and West. They promote detente. There are many advantages stemming from US-Soviet detente, and we welcome your announcement of its continuation. For as I know from Brezhnev and from my recent conversation with Gromyko, it is the wish of the Soviet leadership to continue good relations with the United States. I know the Soviet Union very well and the Brezhnev policy enjoys the lasting and profound support of the Soviet Union's allies and us. We support it enthusiastically because it meets vital interests of all Poles.

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There is the important question of European Security. From the nature of things, Poland is principally concerned with Europe. We think the situation is favorable. For the first time, the continent is enjoying peace. In the 1,000 years of Polish history, only 200 years were peaceful.

Kissinger: In isolated intervals.

Gierek: That is true. Considering the past and our tense relations, especially that there have been wars, there is now recognition of two German states. I don't know if that is correct, but we want to strengthen the two German states.

Kissinger: I was talking to Gromyko about the World Cup Soccer championship. Both East and West Germany were playing. I told Gromyko the worst thing for him would be if East Germany won. He really grinned. Poland got third place. You would have done better than West Germany but for the rain.

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Gierek: We think we must equalize the disparities in development which earlier existed. We are happy with the positive response to detente in Europe You were in both wars and now are politically, economically and militarily in Europe. So you are vitally interested and can play a great role. We see the United States as actively involved in the European detente.

This is especially true of the Conference on Security and Cooperation in Europe. I know you have a positive attitude on that question. We think the situation is ripe for the third phase at the end of this year or early next, at the highest level. We think there should be a permanent organ for consultation and cooperation. The difference of opinion isn't too great.

We are also for force reductions in Europe. This is of direct concern to Poland and corresponds to our efforts to reduce tension and confrontation in Eastern Europe.

In the UN we think the work should be intensified so there can be an agreement.

The postwar period confirmed that changes which took place in Europe were of great international consequence. For example, the creation of the two German states and the Quadripartite Agreement on Berlin -- we support these measures toward stabilization. We welcome the establishment of diplomatic relations between the U.S. and GDR. So far as the course of our relations with the FRG, the Treaty of 1970 established the basis for these relations, but there are still a few questions from the tragic past. One can hardly expect too rapid progress. We have exchanged

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proposals and are optimistic that there should be a settlement, and I think in the near future my visit to the FRG will be feasible. I have an invitation a year and a half ago from the FRG. We want to settle these issues as soon as possible. The people who lost six million and their national wealth can't forget, but we don't want to live in the past but build for the future.

The Polish position on international affairs is well known. The differences stemming from Vietnam are not easy. We joined the ICCS at your insistence.

President: We thank you for your participation.

<u>Kissinger:</u> We heard of some problems last year. We are interested in your problems.

Gierek: All the parties in Vietnam have something against us. We could not be isolated and yet didn't want to get into conflict with any of the parties. We very seriously felt our policy and the consequences. But we stayed in the Commission in order to contribute to peace, though appearances sometimes may not make it look that way.

In the Middle East I repeat what I said to Kissinger in 1972, that we are in favor of a settlement guaranteeing security to the Arabs and Israel.

President: That is important to both.

Gierek: We have said that for years, and I confirm it. We need normalization with Israel and we hope for that along with settlement of the Middle East question.

We don't think Israel should discriminate against our soldiers as intruders. We are there to maintain guard order and peace and wish Israel would agree to solutions in favor of all the peoples of the area.

I read your UN speech with interest on international economic relations. This is an important problem with political as well as economic significance. I agree that each state is part of the international economic system. We strive for the best system without discrimination. We are willing to participate in all constructive undertakings.

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I have only talked about some issues. Dr. Kissinger and Minister Olszowski can take up more of them. I would like to stress our interest in detente and in strengthening it and our relations. This is the only road to consolidate peace and solve world problems. Polish-U.S. cooperation can contribute to detente.

Let me talk about Polish-U.S. relations. First, the economic problems.

Let me tell you about the development of my country. My plans call for closer cooperation between us. Poland has pursued 30 years of economic effort. The beginning was very difficult. President Nixon and Dr. Kissinger know these very well. Our people over these 30 years have not only defended ourselves and rebuilt, but we have industrialized, have built a democratic-socialist structure, health protection, and rebuilt our intelligentsia which was almost destroyed. This took strenuous effort. We did it by our own strength. We are now 10th in the world in industrial production. Our production increased eight-fold and increases at the average developed-country level. We had 26 million people in 1945; we now have 34 million. We have behind us the "takeoff operation" and we are in a qualitatively new phase, characterized by high economic growth, modernization of the economy, and higher standards of living. Our GNP is growing by 9 1/2 %. Income will have increased about 35%; given stable food prices.

Our desire is to continue this growth rate in the next five-year plan. Poland dhas raw materials for the growth of agriculture and industry. Our balance democratic-socialist structure, health protection, and rebuilt our intelli-

has raw materials for the growth of agriculture and industry. Our balance of payments is good. We are reaping the benefit of the previous investment. One hundred and five establishments were started this year. Next year we plan more.

Of great importance is the expansion of cooperation with foreign countries. The Soviet Union is building a 10-million ton steel mill. Next year they will give us 50 investment projects. We have projects with France and Great Britain. We want to strengthen our credit and help ourselves.

Our strategy is aimed at strengthening Poland. We have a good position among the socialist states and it is growing. A strong, independent Poland is needed for Europe and perhaps the world. This is the starting point for expansion of U.S.-Polish relations. We want the U.S. to have the leading role in expansion of our economic cooperation with the West. We will



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present proposals. We have built a structure of closer ties -- the Joint Trade Commission, Ex-Im Bank loans, more contracts with U.S. banks and concerns. We want to broaden contacts and the Joint Commission plays a great role, and it could be even enhanced.

This progress we think is only the harbinger of greater cooperation and progress. The agreement we reached here will help. We anticipate a substantial increase in trade. In three years it went from \$250 to \$500 million and to \$1 billion this year. By 1980 we expect it will be \$2 billion.

We want to buy investment equipment. Our new five-year plan gives to special purchases in the U.S. up to \$1 billion. We are developing cooperation among industries and already have it with International Harvester and others. We have a big undertaking with General Motors. These proposals are linked closely with favorable credit terms. Ex-Im credit terms are important, but not sufficient for our plans. We need private credit but the interest is too high now. I will request greater U.S. Government credit.

President: I look forward to receiving your proposal.

<u>Gierek:</u> I think especially for the long-term undertaking our proposals will be good.

Agricultural crop cooperation is another area. You spoke of food problems and cooperation in agriculture. Poland has been a permanent and stable purchaser of U.S. surplus agricultural products. We want to continue, and we would like a guarantee for the annual purchase of one or one and one-half million tons of grain and more of other produce. We will submit a long-term agreement for such purchases. We are a traditional customer, and perhaps can get CCC credit. We would like a postponement of the PL 480 repayments. I request favorable consideration of our proposal. We want to broaden cooperation in food production. Our program for Poland calls for considerable modernization for import consumption and also for export. Today's agreement should be only an introduction to a broader agreement on foodstuffs. We would like access to your accomplishments.

Also important are the coal agreements we will sign -- the agreements on coal processing and gasification, on scientific and technical cooperation, on agriculture and health protection are especially important. Our agreements will strengthen these links and allow for expansion. This kind of



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cooperation represents a special interest for us and will help consolidate the west in U.S.-Polish cooperation.

We also believe we can inject new dynamism into our economic relations generally and with nations of the West, and that it would help overcome the current difficulty in the world economy.

We are trying to cooperate in all fields of endeavor and expanding the contacts of our citizens with other countries.

I want to express great satisfaction with the support from your government on these questions.

There are many Americans of Polish extraction. In the majority of cases they contribute to Polish-U.S. relations. We proceed from the premise that American Poles should be good American citizens, and it would be desirable for us if they could maintain a sentimental feeling for their ancestral land. They can contribute to mutual understanding, and we have no other interest in this respect. The many letters I get support the development of U.S.-Polish relations. We in Poland have always cherished great hopes for American Poles and other foreign Poles, because it was due to their influence that President Wilson in 1918 put the question of Polish independence.

These are the principal questions which we think are the base of U.S.-Polish cooperation. We should open a new stage of that cooperation so we can be increasingly dynamic and strengthen detente. We hope you have similar views. This visit and the climate of cooperation helps maintain and preserve the links of traditional friendship and kinship.

I convey my personal invitation and that of my government and people to visit Poland. It would be of great significance for our relations and detente.

We send our best wishes for a speedy recovery to Mrs. Ford. Please let me thank you.

President: I remember my visit in about 1958 as a member of an inter-Parliamentary delegation. We visited mostly in Warsaw, but we spent some time elsewhere. It was very interesting, and I do want to come back. We will discuss when it is possible, but I really want to do it.

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Gierek: We would greet you from the bottom of our hearts. We have a saying "the house gives everything to the best."

President: You treated President Nixon with great warmth and I know from American Poles the kind of reception I would get. We will make a maximum effort.

I was very interested to hear your discussion of detente, international relations, and our bilateral relations.

President Nixon and Secretary Kissinger played a big role in putting American-Polish relations and our relations with the Soviet Union on a better basis. We hope to expand these relations as much as possible.

We think Poland and all other countries on both sides benefit from detente. In Europe, it was in the interest of East and West to have a Conference on Security and Cooperation. Secretary Kissinger says it is moving along. We are not in a position to pick a day, but its consummation will enhance the prospects for peace. We are grateful for your comments on the Middle East. A year ago the fourth war broke out, and brought much losses and damage. We want to work with both sides to prevent another outbreak. You know Secretary Kissinger is leaving tenight on another Middle East trip, showing that we will do all we can to get a just and lasting peace. I agree we want peace and protection for both sides. If we can work together, hopefully we can make a contribution.

I was pleased with your account of the economic, political and cultural progress in U.S.-Polish relations over the past ten years. The agreements we will sign are good for both of us, and lay the basis for further expansion. We believe the expansion of trade is vital for detente and the economies of both sides. We are trying to get the Trade Bill through, and what Mr. Brezhnev has said would help with Congressional concerns. We see progress and hope for a bill with MFN -- which you already have.

I am interested in your proposal for a long-term agricultural purchase program. We will study your proposals to see what can be done in that regard.

On MBFR, we would be pleased if it could be jointly supported. Our delegation is there to try for an agreement that is in the best interests of the U.S. and Soviet Union and the allies of both. We hope for progress.

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The Polish people in the U.S. have made a tremendous contribution to art, science, culture, etc. In my town there are 40,000 American Poles, so I know first hand.

The things they have done have made the U.S. a better place to live. Those activities will continue to make Poland a strong country in every way.

I look forward to continuing these talks and taking up the details, and the dinner tonight.

Gierek: The questions I had perhaps took too long a time so I abridged them, but you can see our intentions. We are a serious partner, a reliable ally, and a good friend. You can trust us on all these questions we have submitted.

President: Mutual trust is the only way to a better relationship.

